



March 18, 1997

Dear Employees of Topside Construction;

It has come to my attention that the Operating Engineers Local 3 is requesting that I bargain with them over wages, hours and other terms of employment for you employees. I feel very strongly that you do not need Local 3 for any purpose!

We have all worked very hard together over the years to make this company successful. You now have excellent wages and fringe benefits without paying union dues, initiation fees, and without exposing yourselves to fines, union assessment and picket line duty. You have not lost one day's wages to get any of this.

In its letter, Local 3 states that a majority of you have signed a union card authorizing Local 3 to bargain for you. Do not be fooled by empty promises made by any union representative to get you to sign a union card. Local 3 cannot guarantee you anything since there are no guarantees in life!

During the upcoming weeks I will be supplying you with more information showing that you do not need to be represented by Local 3. We have always enjoyed a good working relationship and do not need a "third party" that is more interested in taking your dues than in our company. Just ask some of your fellow employees how they have been treated by Local 3 over the years.

At this point, please keep an open mind. Eventually you will have the opportunity to vote in secret at an election. I urge you to vote "NO" to Local 3.

Just remember, nothing is guaranteed. If I were to negotiate with Local 3, you could wind up with more, you could wind up with the same, or you could wind up with less than you have now.

Very truly yours,

A handwritten signature in black ink, appearing to read "Larry C. Nizzoli".

Larry C. Nizzoli

LCN/lam



Voting Information

I wanted to remind you that the polls are open this Friday from 3:00 p.m. to 5:00 p.m. The voting will take place in our office at 5904 Van Alstine Avenue, Carmichael, California. A map of the office is attached for your use.

To reimburse your estimated transportation expense in driving to the office, we will cease work at 3:00 p.m. on Friday and Topside will pay employees who work that day through 3:30 p.m., the end of regular workday. This ½ hour of pay should reasonably cover your travel expense to the office.

Besides encouraging you all to vote, we also thought you would like to know a few other details about the election.

- ◆ Private voting booths are set up to guarantee that you vote in absolute secrecy.
- ◆ An NLRB representative will supervise the balloting.
- ◆ Both the Company and the Union will have observers in the polling area to insure the fairness of the election.
- ◆ You are free to vote for the Company even if you previously signed a union card or joined the union. You have the absolute right to vote for whomever you please.
- ◆ The NLRB Notice of Election has been posted. The Notice shows the official NLRB ballot giving you two choices. Putting an "X" in the "No" box means that you will be voting not to be represented by the Union.

Thank you for your patience, and remember to vote!

Nothing in life is guaranteed and Topside cannot promise you that it can start a retirement plan. I can say, however, that any plan that makes you wait 10 years to vest and denies benefits based on being a "bad boy" is not a plan where the employees' interests come first. The "good ole boys" will get their union pensions. But, if you are not part of the "ole boys" network and don't follow their rules, then you will get nothing but empty promises.

¹ If an employee worked 1500 hours/year and used a 401k salary reduction plan of \$2.00/hour (which, because this money is not taxed at this time, results in a take home pay reduction of only \$1.40/hour) and an employer matching amount of \$2.00/hour, the employee's personal retirement account would contain the following amounts (based on 8% annual interest):

<u>20 years</u>	<u>25 years</u>	<u>30 years</u>
\$ 300,000	\$ 500,000	\$ 750,000



April 4, 1997

TOPSIDE CONSTRUCTION IS OPPOSED TO UNIONIZATION

We are opposed to unionization. It might be fine for big companies like Teichert or Granite, which have thousands of employees and hundreds of customers, but is bad for Topside Construction. Those big companies have tremendous cost advantages over us because of the materials they produce. We can not compete with them if our costs increase any further.

Unionization does not help you either. The union charges thousands of dollars in initiation fees and hundreds of dollars in dues. Employees get ranked and put on a hiring list according to the whim of the business agent. Your place on that list depends on how the business agent wants to treat you. Your employment is then dictated by a "number" you are given.

You cannot go out and find your own job. In fact, if you work for a non-union Company after you join the union, the union can fine you thousands of dollars to make sure that you obey its rules. It does not make sense that you would cut off employment opportunities with the good people you have worked for over the years.

It is also easy for the union to make empty promises about higher wages, but remember the union does not pay your wages. We do. If we think that demands of the union are wrong for our business, there is nothing that the union can do to force us to accept them.

AN NLAB ELECTION IS SET FOR APRIL 25

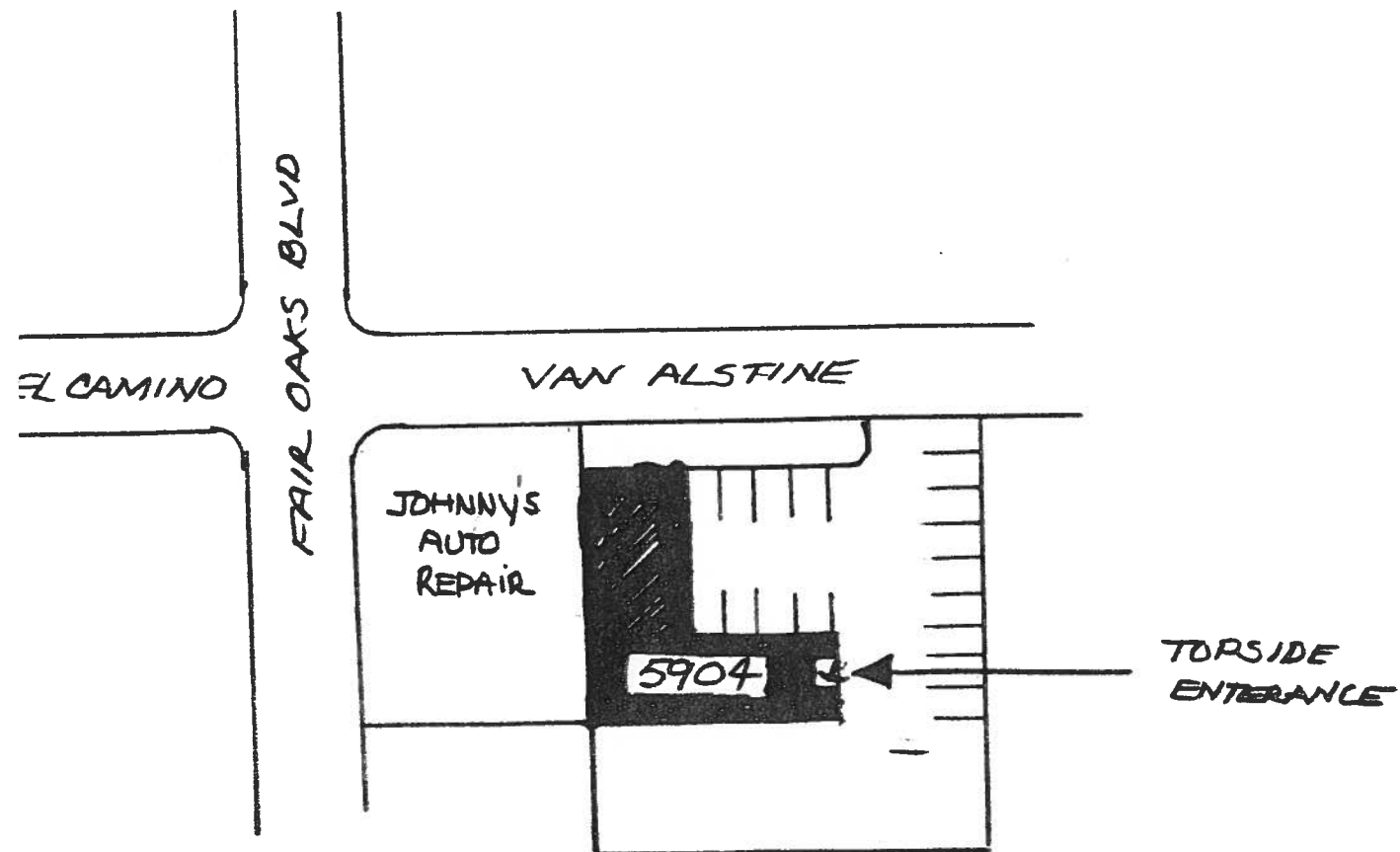
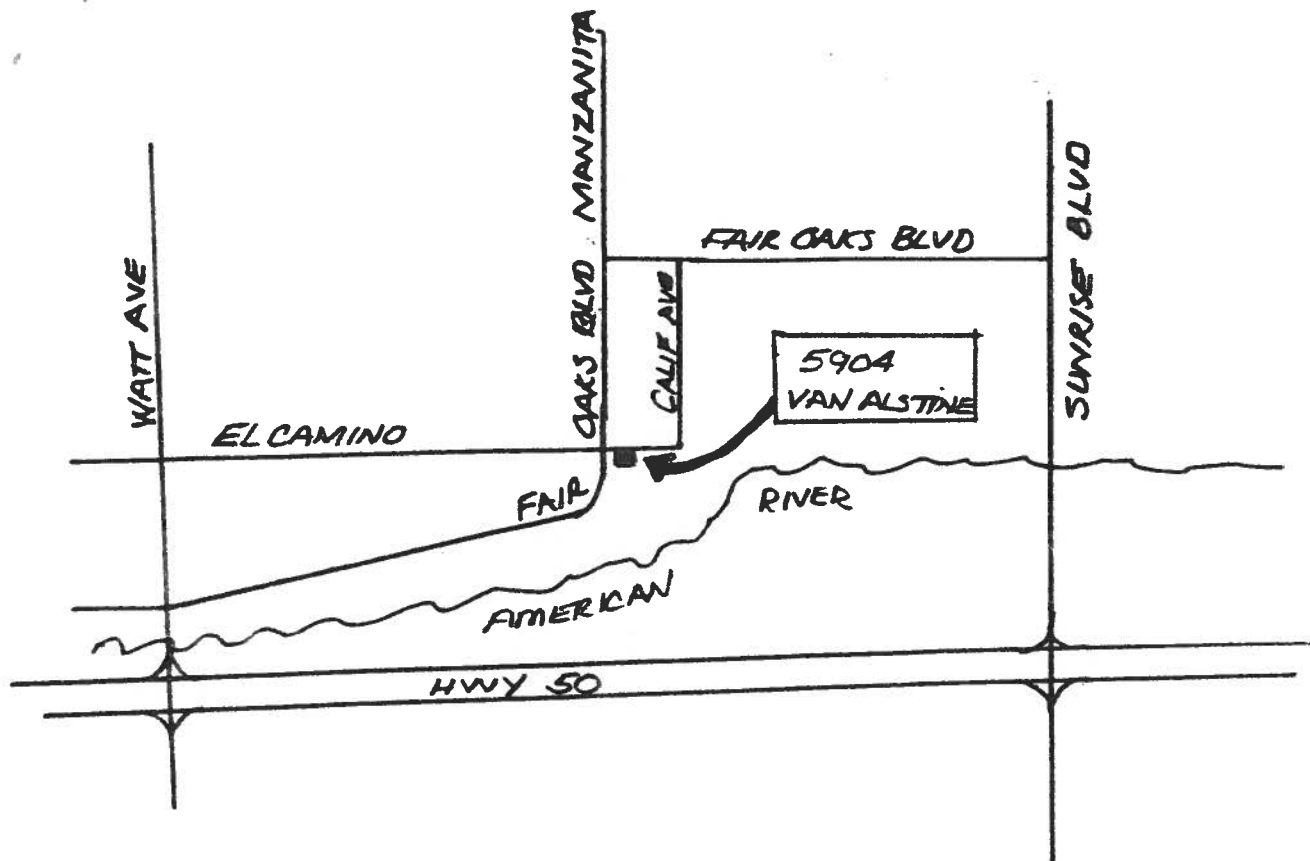
Despite these facts, we have agreed with the NLRB to waive a costly pre-election hearing process and to proceed with an election. This election will take place at our office on Friday, April 25, 1997, between 3:00 p.m. and 5:00 p.m.

You will be hearing from us often over the next three weeks as to why we do not want you to vote for the union and want you to vote for the Company. Do not be misled. The union is for the union. It is not doing this for you and it certainly is not doing this for the Company.

Remember, on April 25th vote "NO" and vote for the Company.

Sincerely,

A handwritten signature, likely of a company representative, is written over a circular stamp that is partially obscured by the signature and the surrounding noise of the document.





Facts About Retirement Plans

The Union pension can be just another empty promise. Did you know that it takes 10 years to vest in the Union pension? You could work 9 years and 11 months and then quit, and you could lose your entire pension. If you move out of the area, start your own business, etc., all those contributions made on your behalf would be nothing.

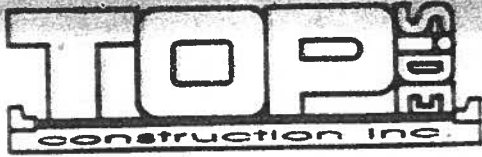
And, if you are "bad boy" according to the Union trust funds, they can deny you certain pension benefits like early retirement. What's a "bad boy?" How about finding your own non-union work, working for yourself on weekends, buying your own equipment and working non-union, or other violations of the Unions rules.

Excellent retirement plans are those that allow for nearly immediate vesting. You should not have to wait 10 years to vest. All payments into plan should be yours and your family's to keep forever.

You can have a retirement plan without being in the union. A retirement account like a 401k plan can be worth \$300,000 in 20 years, \$500,000 in 25 years, and \$750,000 in 30 years.¹ And, you can take this money with you no matter where you go to work – even if you start your own business. You can develop a retirement plan by taking what you would pay in union dues, \$1,000 per year, add to it, and get the employer to make a matching contribution, and you could be better off than you would be in the union pension plan.

The union pension is like social security and is paid out monthly. Just like social security, there is no guarantee that you and your family will ever get out what you put in. In a retirement account like a 401k plan, the money is yours and you can give money to your family if you want to.

To get the union pension, Topside would likely have to pay all the union fringe benefits, which costs \$12.60 per hour. That is over \$20,000 per man per year. Topside's costs would increase approximately \$350,000 per year. We cannot remain competitive with the big companies if we have to pay \$350,000 per year in union benefits.



Final Thoughts

I want to thank you for listening to me these last few weeks talk about the union. I know I have sounded very anxious and tense about the upcoming NLRB election, but we are talking about our futures – yours, mine and the Company's. I have put 6 years into building Topside from scratch. Many of you have been with me for years. I have tried to be fair with you. All I ask is that you be fair with me and let me build this Company without the union.

I know that the union showed you the benefits it intends to force upon us. I have tried to show you a more realistic picture from our point of view.

For instance, union benefits are paid by big companies like Teichert and Granite. They do not make sense for Topside because we cannot leverage off of selling materials like the big companies do.

The union also made "promises" about how much Topside will pay in fringe benefits if you vote for unionization. But, the union cannot guarantee this. It cannot force us to pay more than what we think is fair. Topside must remain competitive. The bottom line is that if necessary, I will bargain in good faith to keep the Company competitive.

The union will cost you around \$1,000 per year in union dues. You will have to pay this out of your net wages.

You will be put in the unions out of work lists. Big companies will continue to employ the same core employees they have always employed. You might get picked up by them – for temporary work – and you might not.

When you get referred to these other companies, you will have no seniority. The last hired will be the first laid off.

You will not be able to find your own work anymore. If you work for the nonsignatory companies you have worked for in the past, the union can file charges against you, fine you, and kick you out of the union.

You are now an important member of a small crew at Topside. If you are referred out of the union hiring hall, the crew we have developed over the years may disappear.

I have worked for union companies in the past. I know what that is like. I choose not to make Topside a union company. I don't want to go back to that again.

It is my future, your future, and the Company's future, which is at stake in this election. We don't need a union; ten times the size of Topside, to tell us how to live our lives.

A handwritten signature in black ink, consisting of a stylized, cursive 'A' or 'K' shape.